



WASHOE COUNTY

"Dedicated To Excellence in Public Service"

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CM/ACM Joh

Finance LL

DA N/A

Risk Mgt. PDM

HR N/A

Other N/A

STAFF REPORT

BOARD MEETING DATE: November 12, 2014

DATE: October 20, 2014

TO: Board of County Commissioners

FROM: Celeste Wallick, Risk Management Analyst, Risk Management Division
328-2662, cwallick@washoecounty.us

THROUGH: Paul McArthur, Comptroller, Risk Manager
328-2563, pmcarthur@washoecounty.us

SUBJECT: Approve payment of \$222,355.25 for the Estimated Annual Assessment for Washoe County's self-funded workers' compensation program for fiscal year 2015, to the State of Nevada, Division of Industrial Relations (All Commission Districts)

SUMMARY

We are requesting that the Board approve payment of the estimated annual assessment for fiscal year 2015 to the State of Nevada, Department of Business and Industry, Division of Industrial Relations.

County Priority/Goal supported by this item: Government Efficiency and Financial stability.

PREVIOUS ACTION

Each year since 2008, the Board of County Commissioners has approved the payment of the annual assessment for Washoe County's self-funded workers' compensation program to the State of Nevada, Division of Industrial Relations, in accordance with NRS 232.80 and NAC 616B.680 through 616B.740.

BACKGROUND

Washoe County has been self-insured for Workers' Compensation since July 1, 1981. NRS 232.680 requires all insurance carriers providing Workers' Compensation insurance, including self-insured employers, to pay an annual assessment to the Division of Industrial Relations (DIR). The assessment, which is based on each insurer's annual claims expenditures, funds the state regulatory programs for Workers' Compensation. This includes programs administered by DIR such as Subsequent Injury Fund, Uninsured Employers Claims Fund, Nevada Attorney for Injured Workers, Legislative Counsel

Bureau, Attorney General's Fraud Control Program, Hearing Division, Office of Consumer Health Assistance, and the Commissioner of Insurance.

The fiscal year 2015 estimated assessment increased from the prior year due to:

- 1) an increase from the prior year in the three (3) year annualized average of claim payments,
- 2) an increase in administrative program costs for DIR,
- 3) a decrease in self-insured employers who contribute to the self-insured fund, which means that the remaining participants bear an increased share of DIR costs.

An audit by DIR of all program expenses and the final assessment of Washoe County's contribution will be determined following the close of the State fiscal year. In the prior fiscal year (2013), the final assessment returned \$36,185.10 to the County.

The assessment represents a fixed expense in the administration of Washoe County's self-funded Workers' Compensation program. This program is expected to save the County in excess of \$1,000,000.00 annually when compared to a fully insured Workers' Compensation program.

The assessment is due in four (4) quarterly installments with an approved extension to allow the first installment to be payable on November 30, 2014.

FISCAL IMPACT

Sufficient budget authority exists in the Risk Management Fund (C195054) for the total 2015 annual assessment amount of \$222,355.25.

RECOMMENDATION

It is recommended that the Board of County Commissioners approve payment of \$222,355.25 for the Estimated Annual Assessment for Washoe County's self-funded workers' compensation program for fiscal year 2015, to the State of Nevada, Division of Industrial Relations.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be: "move to approve payment of \$222,355.25 for the Estimated Annual Assessment for Washoe County's self-funded workers' compensation program for fiscal year 2015, to the State of Nevada, Division of Industrial Relations."

**WASHOE COUNTY
ESTIMATED ASSESSMENT CALCULATION & BILLING
AS INSURER OF WORKERS COMPENSATION
FOR FISCAL YEAR 2015 (JULY 1, 2014 – JUNE 30, 2015)
THE DIVISION OF INDUSTRIAL RELATIONS
October 8, 2014**

**SUMMARY OF CALCULATIONS FOR INSURER'S
ESTIMATED ANNUAL ASSESSMENT
FOR FISCAL YEAR 2015**

SUMMARY OF COSTS FOR:

ADMINISTERING THE WORKERS' COMPENSATION PROGRAM	\$96,663.89
ADMINISTERING THE OCCUPATIONAL SAFETY & HEALTH ENFORCEMENT SECTION AND THE SAFETY CONSULTATION & TRAINING SECTION	\$63,798.57
ADMINISTERING THE MINE SAFETY AND TRAINING SECTION	\$-
CERTIFICATION OF SELF-INSURED EMPLOYERS	\$5,665.02
SUBSEQUENT INJURY FUND SELF-INSURED EMPLOYERS	\$56,227.76
SUBSEQUENT INJURY FUND ASSOCIATIONS OF SELF-INSURED EMPLOYERS	\$-
UNINSURED EMPLOYERS' CLAIMS FUND	\$-

* TOTAL FISCAL YEAR 2015 ESTIMATED ASSESSMENT \$222,355.25

1 ST INSTALLMENT ASSESSMENT DUE NOVEMBER 1, 2014	\$55,588.81
2 ND INSTALLMENT ASSESSMENT DUE DECEMBER 14, 2014	\$55,588.81
3 RD INSTALLMENT ASSESSMENT DUE FEBRUARY 1, 2015	\$55,588.81
4 TH INSTALLMENT ASSESSMENT DUE APRIL 1, 2015	\$55,588.81

PLEASE MAKE PAYMENTS TO:

**DIVISION OF INDUSTRIAL RELATIONS
1830 COLLEGE PARKWAY
SUITE 100
CARSON CITY, NV 89706**